

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

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29 July 1954

STAFF MEMORANDUM NO. 59-54

SUBJECT: Probable Short Term Communist Courses of Action in
the Post-Geneva Period

I. CONSISTENCY OF SOVIET POLICY

1. We believe that the Communist acceptance of a Geneva settlement does not constitute a major shift in Soviet policy, but is consistent with our previous view of the main policies the USSR has been pursuing. For some time the principal Soviet strategic aim has been the weakening and eventual disruption of the US-led anti-Communist alliance. The origins of this policy probably go back to the check which Communist aggression encountered in Korea in 1950-51 and the steps taken by the aroused Western Powers to build a heavily-armed and closely-knot alliance. These developments apparently led the Communist leaders to conclude that, if they continued on their provocative course, they would not only risk a general conflict but soon be faced with a military combination highly dangerous to their security. They reacted in terms of their traditional military-political concepts: a dangerous opponent must be attacked on his political flanks and rear in order to undermine and split up the bases of his power.

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2. The first indication of a developing change in Soviet policy was probably the Malik proposal of June 1951 for truce talks in Korea. The USSR also avoided further aggressive moves on the pattern of the Berlin blockade and Korea, and began to adopt a more "conciliatory" line which held out hope to the hard-pressed Western states that the burdens of rearmament could be escaped through negotiated settlements. Stalin's death apparently facilitated this shift, and was employed to encourage Western hopes of a genuine change in Soviet policy. At the same time, the Communist leaders apparently believed that the continuation of "national liberation movements" in colonial areas, such as the armed insurrections in Southeast Asia, was not incompatible with the main line of their policy. Not only did these actions tax Western resources, but they were themselves the source of divisions among the Western allies, and between them and the free nations of Asia. There was, however, a shift in emphasis to political rather than military action in Indonesia, Burma, Malaya and the Philippines, and eventually in Indochina.

3. When direct negotiations on Europe were ultimately resumed in 1953 the USSR felt no necessity to make genuine concessions. To have done so would have meant to sacrifice positions of real power in Germany and Austria. It was apparently thought sufficient to slow Western rearmament and to promote disunity by keeping alive the hope

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of successful negotiation. At this junction the deteriorating French position in Indochina opened a wedge which the USSR exploited at Geneva.

4. Communist Aims at Geneva. In view of the considerable Viet Minh military successes between the Berlin and Geneva meetings, the Communists do not seem to have capitalized as fully on their Indochina military opportunities as would have been possible. By further delaying tactics at Geneva, they might have hoped to seize the whole of Indochina in a relatively short time. In addition, by causing Mendes-France to fail in his dramatic bid for peace, they might have intensified the internal crisis in France.

5. That the Communist leaders chose to sacrifice these immediate gains was probably due at least in part to their fear that continued war in Indochina would greatly increase the risk of US intervention. At a minimum they probably considered that to inflict a costly and humiliating defeat in Indochina would lead to solidification of an anti-Communist alliance in Southeast Asia, perhaps even including many Asian states. But their decision was probably also in large part due to a conviction that the course they did choose would bring them still greater advantages than conquering all of Indochina, the winning of which they probably regard as only temporarily postponed in any case. This more important advantage must have been the creation of a favorable situation in which they could successfully pursue their

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main strategic aim of splitting the Western Powers. The Communists probably calculated that a compromise Geneva settlement would enhance their reputation for moderation and thus sharpen the divisions among non-Communist countries over the policies to be pursued from this point forward.

II. PROBABLE POST-GENEVA COMMUNIST COURSES OF ACTION

6. Summary. In view of the success of their tactics in Indochina, we believe that the Communists are unlikely to follow up the Geneva settlement by major new aggressive "pressures" elsewhere, although existing pressure points in such areas as Southeast Asia will continue to be exploited. The Kremlin probably recognizes that such new "pressures" might stiffen rather than weaken the Western alliance. Instead we believe that, for the short term future at least, the USSR will seek to capitalize on the favorable atmosphere created by Geneva through intensified efforts at negotiation designed to: (a) forestall EDC and German rearmament; (b) forestall creation of a SEATO alliance or of a US-backed Middle East defense grouping; and (c) further split the chief Western allies. It apparently hopes to profit more from a further relaxation than from a sharpening of East-West tensions.

7. Soviet propaganda and diplomacy since Geneva indicate that the Soviet leaders are eager to press their advantage and maintain

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the momentum of negotiation, or at least of talk about negotiation. Communist propaganda is bearing down hard on the themes of nuclear energy control and disarmament, the Molotov European collective security plan, admission of Communist China to the UN, even Korean unification. The Soviet note of 25 July states that Geneva gave "fresh proof of the fruitfulness of efforts directed at normalizing international relations, at resolving important problems not only in Asia but in Europe as well."

8. Western Europe. The Soviet call for a new all-European conference indicates that the USSR, which still regards prevention of West German rearmament as a primary objective, is seeking to forestall the US-UK drive for EDC ratification by creating the impression that, in the light of Geneva, a successful East-West conference on Europe is also possible. The Soviet leaders must have recognized that in allowing an Indochina settlement they risked bringing about a situation more favorable to French ratification of EDC. Their proposal for a new European conference seems calculated to minimize that risk. The USSR probably hopes that the Indochina cease fire will "induce" a mood in France receptive to Soviet European proposals, and will attempt to concentrate on France.

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9. Whether or not the initial Soviet proposal is rejected, we believe that the USSR will follow it with further proposals aimed at meeting French opposition to EDC, West German desires for reunification, and British doubts on German rearmament by offering the alternative of a disarmed and neutralized Germany held down by all-European collective security guarantees. The Kremlin also will further develop the line that rejection of its proposals will lead to an "alliance" between the USSR and East Germany, and "end forever" hopes of peaceful reunification. However, we see no evidence that the USSR will basically revise the position it took at Berlin. We still believe that it will not accept free all-German elections or withdraw its troops from East Germany until it feels confident that all Germany would thus come under its effective control.

10. Along with preventing West German rearmament, the Soviets aim at disrupting the Western alliance by enticing the European members of NATO into an alternative collective security scheme. As set forth in the Soviet notes of 31 March and 25 July, this scheme would require the abandonment of NATO commitments, deny West Germany to the NATO alliance, and end in the withdrawal of US forces from Europe and isolation of the US. While the Kremlin hardly expects such sweeping successes, it apparently regards the Molotov plan as a useful gambit for appealing to European opinion. As in the case of the Danish-USSR trade talks in Moscow, the USSR will also continue to exploit the disruptive possibilities of East-West trade negotiations.

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11. The USSR has been making efforts to tie Finland more closely to the Bloc; in the recent Finnish-Soviet trade negotiations, it sought to secure some political commitments from the Finns. However, we see no indications that unusual Soviet pressure is likely to be applied.

12. The Far East. The principal immediate Communist effort in the Far East is likely to be to prevent the development of any Western-sponsored collective defense arrangement in the area, particularly one which would find the Colombo powers joined with France, Britain, and the US. The Communists will feed Asian neutralist sentiment by emphasizing "Asian solidarity" and the prospects for peaceful co-existence via negotiated settlements, as demonstrated by Geneva. Peiping may propose an Asian "collective security" pact as a counterpart to Molotov's European security plan, or a series of bilateral pacts along the lines of Chou-en-Lai's "Five Principles".

13. At the same time Peiping is likely to attempt to frighten prospective Asian members of a SEATO by threats as to the consequences of joining any such organization. Communist successes in Indochina may also give new impetus to guerilla warfare and subversive activities in Southeast Asian areas where they now exist. In particular, there is likely to be a stepping up in Communist psychological warfare and perhaps also subversive activities in Thailand, to serve as a

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reminder to Asian neutralist that alignment with the US invites Communist aggression. We believe it unlikely, however, that the Communists will make any major new aggressive moves in Southeast Asia, lest they solidify anti-Communist opposition and undermine their own efforts to encourage neutralism.

14. In the wake of Geneva, the Communists will probably intensify their long standing efforts to promote frictions between the US and other non-Communist states over Asian issues, and create situations in which Communist China can appear to uphold Asian solidarity against US "war-like" designs. The question of Communist Chinese admission to the UN will almost certainly be vigorously exploited for this purpose.

15. In addition, Peiping will probably attempt to make the status of Taiwan a major issue over the next year. With its flanks in North Korea and Tonkin now secured by armistice arrangements, it may feel that the risks involved in a more aggressive policy have been reduced. While a Chinese Communist invasion remains unlikely, Peiping may feel that "military incidents" in the Taiwan area can be exploited to create apprehension in the non-Communist world concerning US policy in the Far East.

16. In Indochina we estimate that for the next year or so the Communists will not deliberately break the armistice agreement by making large scale attacks across the Geneva demarcation lines.

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We believe that the Communists will not give up their objective of securing all Indochina, but will pursue their objective by paramilitary, political and psychological means. The Viet Minh will probably lose no opportunity to interpret the loosely-drawn armistice to its advantage; subversive and local guerrilla actions against the French and Vietnam authorities will probably continue. However, we believe that Soviet and/or Chinese Communist control over the Viet Minh will remain effective enough to insure that no local developments will contravene the broader Moscow and Peiping desire that purely local gains must be subordinated to their general strategic aims.

17. The Communist probably regard the situation in Korea as stabilized for the present, and believe that their prospects in Korea will not be worsened by the indefinite continuance of this stalemate. To score a propaganda point against the US, however, they may make "new" proposals for unification and advocate the resumption of negotiations.

18. We do not believe that the Communists will follow up their Geneva success with any increased pressures on Japan. Instead they probably expect Japanese neutralist sentiment to be strengthened, and will approach Japan with attractive economic inducements in order to encourage such neutralism. Peiping and Moscow may even offer Japan a favorable peace treaty in order to normalize relations, although territorial issues will prove an obstacle to this course.

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19. The Middle East. We believe that Geneva and post-Geneva developments will not of themselves have much significant effect on the scale and nature of Communist activities in the Middle East. The USSR is already pursuing a more active policy in the area than it has in the past, but this policy appears to be primarily in response to US efforts to strengthen Middle East defenses. This Soviet activity, marked by offers of economic assistance and other friendly gestures as well as by propaganda and diplomatic pressures against potential participants in a US-backed defense grouping will probably be intensified to the extent that the US and its allies appear to be making progress toward bolstering the Western position in the area.

20. However, the indications are that in the short term at least the USSR will use inducements more than threats. The USSR still appears to have no sense of urgency about achieving actual Communist control over the area. While it might be tempted to turn to the Middle East as offering fruitful opportunities for pressure on its Western adversaries, it is difficult to see how it could undertake any drastic action without alienating the neutralist opinion it is seeking to cultivate in the Middle East as well as in other areas.



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